

106TH CONGRESS  
2D SESSION

# H. R. 3845

To make corrections to the Small Business Investment Act of 1958, and  
for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 8, 2000

Mr. TALENT (for himself and Ms. VELAZQUEZ) introduced the following bill;  
which was referred to the Committee on Small Business

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## A BILL

To make corrections to the Small Business Investment Act  
of 1958, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Invest-  
5 ment Corrections Act of 2000”.

6 **SEC. 2. DEFINITIONS.**

7 (a) SMALL BUSINESS CONCERN.—Section  
8 103(5)(A)(i) of the Small Business Investment Act of  
9 1958 (15 U.S.C. 662(5)(A)(i)) is amended by inserting  
10 “regardless of the allocation of control during the invest-

1 ment period under any investment agreement between the  
 2 business concern and the entity making the investment”  
 3 before the semicolon at the end.

4 (b) LONG TERM.—Section 103 of the Small Business  
 5 Investment Act of 1958 (15 U.S.C. 662) is amended—

6 (1) in paragraph (15), by striking “and” at the  
 7 end;

8 (2) in paragraph (16), by striking the period at  
 9 the end and inserting “; and”; and

10 (3) by adding at the end the following new  
 11 paragraph:

12 “(17) the term ‘long term’, when used in con-  
 13 nection with equity capital or loan funds invested in  
 14 any small business concern or smaller enterprise,  
 15 means any period of time not less than 1 year.”.

16 **SEC. 3. SUBSIDY FEES.**

17 (a) DEBENTURES.—Section 303(b) of the Small  
 18 Business Investment Act of 1958 (15 U.S.C. 683(b)) is  
 19 amended by striking “plus an additional charge of 1 per-  
 20 cent per annum which shall be paid to and retained by  
 21 the Administration” and inserting “plus an additional  
 22 charge, in an amount established annually by the Adminis-  
 23 tration, of not more than 1 percent per year as necessary  
 24 to reduce to zero the cost (as defined in section 502 of  
 25 the Federal Credit Reform Act of 1990 (2 U.S.C. 661a))

1 to the Administration of purchasing and guaranteeing de-  
 2 bentures under this Act, which shall be paid to and re-  
 3 tained by the Administration”.

4 (b) PARTICIPATING SECURITIES.—Section 303(g)(2)  
 5 of the Small Business Investment Act of 1958 (15 U.S.C.  
 6 683(g)(2)) is amended by striking “plus an additional  
 7 charge of 1 percent per annum which shall be paid to and  
 8 retained by the Administration” and inserting “plus an  
 9 additional charge, in an amount established annually by  
 10 the Administration, of not more than 1 percent per year  
 11 as necessary to reduce to zero the cost (as defined in sec-  
 12 tion 502 of the Federal Credit Reform Act of 1990 (2  
 13 U.S.C. 661a)) to the Administration of purchasing and  
 14 guaranteeing participating securities under this Act, which  
 15 shall be paid to and retained by the Administration”.

16 **SEC. 4. DISTRIBUTIONS.**

17 Section 303(g)(8) of the Small Business Investment  
 18 Act of 1958 (15 U.S.C. 683(g)(8)) is amended—

19 (1) by striking “subchapter s corporation” and  
 20 inserting “subchapter S corporation”;

21 (2) by striking “the end of any calendar quarter  
 22 based on a quarterly” and inserting “any time dur-  
 23 ing any calendar quarter based on an”; and

1           (3) by striking “quarterly distributions for a  
2       calendar year,” and inserting “interim distributions  
3       for a calendar year,”.

4 **SEC. 5. CONFORMING AMENDMENT.**

5       Section 310(c)(4) of the Small Business Investment  
6 Act of 1958 (15 U.S.C. 687b(c)(4)) is amended by strik-  
7 ing “five years” and inserting “1 year”.

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